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GOVERNMENT OF PUNJAB

DEPARTMENT OF MINES AND GEOLOGY

(PROJECT BRANCH)

NOTIFICATION

The 11th September, 2025

No. E-526429/WR-PROJ0SCHE/7/2023-PJ6/315.- In continuation of the Punjab State Minor Mineral Policy, 2023 notified vide no. PB/Mineral Policy/2023/1293 dated 13.03.2023 and the Punjab State Minor Minerals (Amendment) Policy, 2025 notified vide no. E-861541 M/G-PSMG0MISC/2/2025/PJ6/159 dated 30.04.2025 drafted in accordance with the Punjab Minor Mineral Rules, 2013 framed under Section 15 and Section 23-C of the Mines and Mineral (Development and Regulation) Act, 1957, and all other powers enabling him in this behalf, the Governor of Punjab is pleased to further amend the Punjab State Minor Mineral Policy, 2023, in the following manner, namely:-

1. This policy may be called The Punjab State Minor Minerals (2nd Amendment) Policy, 2025 and this policy shall come into effect from the date of its publication in the official Gazette.
2. In the Punjab State Minor Mineral Policy, 2023, in clause 2, after sub clause (d), the following sub clause shall be inserted, namely: -

   "(da).**'Confirmation order'** shall mean an official document issued by the Presiding Officer to the Successful Bidder, enabling him to proceed with subsequent steps such as obtaining necessary statutory clearances and initiating activities related to the grant of the mineral concession for Commercial Mining Sites."
3. In the Punjab State Minor Mineral Policy, 2023, in clause 2, after sub clause (i), the following sub clause shall be inserted, namely: -

   "(ia). **'Earnest Money/Bid Security'** shall be an amount for participation in the bidding process for any mining area/site/unit."
4. In the **Punjab State Minor Mineral Policy, 2023,** in clause 2, after sub-clause (t), the following sub clause shall be inserted, namely: -

   "(ta). '**Security Deposit'**means the security deposit in the form of Demand Draft or Bank Guarantee to be received from the successful bidder which shall be valid throughout the mineral concession period"

5. In the Punjab State Minor Mineral Policy, 2023, in clause 2, after sub-clause w, the following sub clause shall be inserted, namely: -

"(wa). **'Upfront Payment'** shall mean the H1 bid amount i.e the highest price offer for obtaining the mineral site and shall not include Royalty, Environment Management Fund, District Mineral Foundation Fund, taxes etc"

6. In the Punjab State Minor Mineral Policy, 2023, for the clause '**Grant of Mining Rights',** the following clause shall be substituted, namely:-

"Grant of Mineral Concession

a. Mineral concession may be granted by the Government through auction for a maximum period of five years.
b. No mineral concession shall be renewed or extended beyond the maximum period of five years.
c. The mineral concession shall be granted for the quantity of the mineral to be excavated as may be specified in the mineral concession agreement annexed with auction document/tender document.
d. The Government may, at any time, notify the pit-head price at the mining site from where material is excavated. In such cases, the concessionaire shall sell the material solely at the notified pit-head price. The Government may revise the royalty for any mineral and consequently revise the pit-head price for any mining site, even if the site has already been allotted. The concessionaire shall be liable to pay the revised royalty.
e. Mining sites which have already been auctioned or allocated to the concessionaires till December, 2024 and are currently operational shall be governed by rules which were applicable prior to December, 2024, except rates of Royalty and any other cess or fund revised or imposed by the Government from time to time."

7. In the Punjab State Minor Mineral Policy, 2023, for the clause **'Period of Concession'**, thefollowing clause shall be substituted, namely:-

"Period of Concession

a. The Mining Rights for any CMS or cluster of CMS shall be awarded for a maximum period of five years."

8. In the Punjab State Minor Mineral Policy, 2023, for the clause '**Application fee'**, the following clause shall be substituted, namely:-

"Application Fee

a. Each bid shall be accompanied by a fee as specified in the auction/tender document
b. In accordance with the provisions of the Act, the bidder shall also submit an Earnest money/ Bid security as specified in the auction/tender document."

9. In the Punjab State Minor Mineral Policy, 2023, for the clause **'Eligibility and Capacity**', the following clause shall be substituted, namely: -

"Eligibility and Capacity – Eligibility and Capacity of bidder shall be as specified in the auction/ tender document."

10. In the Punjab State Minor Mineral Policy, 2023, for the clause '**Annual Concession Quantity'**, the following clause shall be substituted,namely: -

"Annual concession Quantity – The annual concession quantity that the concessionaire shall be allowed to mine per annum shall be as per the Environment Clearance granted by SEIAA. Any offer or approval for an increase in annual concession quantity in any year during the concession period, shall be subject to any restrictions imposed by SEIAA. The enhanced concession value thus arrived at shall be used for calculating any applicable dues from the concessionaire."

11. In the Punjab State Minor Mineral Policy, 2023, for the clause**'Concession Amount'**,the following clause shall be substituted, namely: -

"Concession Amount

I. For Mines Auctioned/Allocated before the date of notification of this 2nd Amendment of Policy:

a. The concession shall be awarded at a lump sum amount equal to the Total Concession Value. The Concessionaire shall pay to the Government, or to any Agency authorised by it in this regard, the concession amount in quarterly instalments in advance for each quarter as per the following schedule:

i. 35% of Annual Concession Value for the first three months of the year

ii. 25% of Annual Concession Value for the next three months of the year

iii. 20% of Annual Concession Value for the next three months of the year

iv. 20% of Annual Concession Value for the last three months of the year.

b. The quarterly instalments shall be payable irrespective of whether the Concessionaire has been able to commence the mining operations satisfactorily or not.

II. For Mines Auctioned/Allocated after the date of notification of this 2nd Amendment of Policy:
The Annual Concession Value shall be the Value so specified in the Auction/tender document, or Concession agreement, as the case may be."

12. In the Punjab State Minor Mineral Policy, 2023, for the clause **'Security'**,the following clause shall be substituted, namely: -

"Security Deposit

In order to discourage frivolous/ bids, Security Deposit in the form of Demand Draft or bank guarantee shall be received from the successful bidder as specified in the auction/tender document."

13. In the Punjab State Minor Mineral Policy, 2023, for the clause **'Award of Concession and Signing of Agreement'**, the following clause shall be substituted, namely:-

"Award of Concession and Signing of Agreement

a. Upon fulfilment of all conditions, the Director or any other officer authorized by him shall grant a mineral concession to the Successful Bidder. The mineral concession agreement shall be executed in a time frame and according to the conditions specified in the auction/tender document.

b. The mineral concession shall be granted as specified in the agreement annexed with auction/tender document."

14. In the Punjab State Minor Mineral Policy, 2023, for the clause **'Start of concession period'**, the following clause shall be substituted, namely:-

"Start of concession period –

a. The Successful Bidder shall make an upfront payment as may be specified in the auction/tender document, after issuance of the Confirmation Order. The upfront payment shall not be refundable under any circumstances.

b. The mineral concession shall commence from the date of grant of Environmental Clearance by the competent authority and the consent to operate (CTO) by State Pollution Control Board, whichever is later.

c. The Director shall give permission to start the concession subject to payment of all applicable dues, which are due towards the concessionaire, before the start of the concession."

15. In the Punjab State Minor Mineral Policy, 2023, for the clause '**Identification of Mines and Clearances',** the following clause shall be substituted, namely:-

"Identification of Mines and Clearances-

a. It shall be the responsibility of the successful bidder to make the site operational by obtaining Environmental Clearance from SEIAA and Consent to Operate (CTO) from the Punjab Pollution Control Board (PPCB), in accordance with such terms and conditions as are declared in the Auction/

tender document.

b. The intent of this policy is to create an atmosphere for the regulation and control of Mining operations under Act and rules. Desilting operations in any water channel shall not be allowed to any Concessionaire under this policy.

c. The Director may at any time deploy such physical/ digital monitoring mechanisms through the resources of the Government, as are deemed necessary, in any mine site to check whether the operations are being carried out in accordance with this policy or not."

16. In the Punjab State Minor Mineral Policy, 2023, for the clause **'Failure to excavate adequate quantity',** the following clause shall be substituted, namely:-

"Dead Rent

a. The concessionaire shall pay annually to the State Government, for all areas covered by the mineral concession, the dead rent at the rate specified in the rules.

b. If in any year, the concessionaire becomes liable to pay royalty as specified in the auction/tender document and/or mineral concession agreement for any mineral extracted, the concessionaire shall pay either the royalty or the dead rent, whichever is greater."

17. In the Punjab State Minor Mineral Policy, 2023, for the clause **'Surrender of Concession'**, the following shall be substituted, namely:-

"Surrender of Concession-

The Government may accept the concessionaire's request for surrender of a mineral concession subject to the terms and conditions as may be specified in the auction/tender document"

18. In the Punjab State Minor Mineral Policy, 2023, after clause 34, t**he following clause shall be inserted,** namely:-

"35. Mines Auctioned/Allocated after the date of notification of this 2nd Amendment of Policy: Amendments made in this **2nd Amendment Policy** shall be applicable prospectively for new auctions of CMS mining sites. CMS mines which have already been auctioned/allocated to the concessionaires and are currently operational shall be governed by the thenprevailing policy except except rates of Royalty and any other cess or fund revised or imposed by the Government from time to time"

Sd/-

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